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State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil Gas and Mining

JOHN R. BAZA
Division Director

December 20, 2007

James L. Barnes
Wembco, Incorporated
20231 Orchid
Newport Beach, California 92660

Subject: Five-Year Review of Reclamation Surety, Wembco, Inc., "D" Tract Oil Sand Mine, S/047/068, Uintah County, Utah

Dear Mr. Barnes:

The Division has recently evaluated and adjusted the required reclamation surety for "D" Tract Oil Sand Mine. Per R647-4-113.6.12, the surety amount has been escalated to the year 2012 based on a 3.2% escalation rate.

The amount of the increase is \$3,000.00, bringing your total bond amount for 5 acre(s) to \$17,500.00. Please contact Mr. Jed Pearson, Division Minerals Surety Coordinator to discuss the steps necessary to update the reclamation contract and obtain details on how to submit the increased surety amount. He can be reached at (801) 538-5382 or bondcoordinator@utah.gov.

Please provide the updated surety amount within 90 days of the date of this letter.

Thank you for taking the appropriate action to maintain the surety in a current status.

Sincerely,

Susan M. White
Mining Program Coordinator
Minerals Regulatory Program

SMW:JP

cc: Jed Pearson, DOGM
Paul Baker, DOGM

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